

By: Eiland

H.B. No. 3458

A BILL TO BE ENTITLED

AN ACT

relating to the registration with the Texas Department of Insurance of certain contract examiners.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 401.107, Insurance Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) A person with whom another state contracts to perform any examination initiated by the other state of an insurer domiciled in this state shall register with and provide the following information to the department's chief examiner:

(1) the person's name;

(2) if the person is not an individual, the identity of each examiner or other person who will perform any part of the examination;

(3) the name of the state that contracted with the person;

(4) the identity of the insurer to be examined; ~~and~~

(5) a description of each issue that the person has been contracted to examine;

(6) an estimate of the examination costs to be charged to the insurer to be examined;

(7) a copy of any contract between the person and the state regulatory body that initiated the examination and a letter

1 authorizing the examination; and

2 (8) a list of the previous examinations conducted on  
3 the same insurer on behalf of any state within the last three years.

4 (a-1) On accepting a person's registration under Subsection  
5 (a), the department shall send written confirmation of the  
6 acceptance to:

7 (1) the person;

8 (2) the insurer to be examined; and

9 (3) the state regulatory body that initiated the  
10 examination.

11 SECTION 2. Section 751.052, Insurance Code, is amended by  
12 amending Subsection (b) and adding Subsection (b-1) to read as  
13 follows:

14 (b) A person with whom another state contracts to perform  
15 any market analysis or examination initiated by the other state of  
16 an insurer domiciled in this state shall register with and provide  
17 the following information to the department's chief examiner:

18 (1) the person's name;

19 (2) if the person is not an individual, the identity of  
20 each examiner or other person who will perform any part of the  
21 market analysis or examination;

22 (3) the name of the state that contracted with the  
23 person;

24 (4) the identity of the insurer to be examined; ~~and~~

25 (5) a description of each issue that the person has  
26 been contracted to examine;

27 (6) an estimate of the examination costs to be charged

1 to the insurer to be examined;

2 (7) a copy of any contract between the person and the  
3 state regulatory body that initiated the examination and the letter  
4 authorizing the examination; and

5 (8) a list of the previous examinations conducted on  
6 the same insurer on behalf of any state within the last three years.

7 (b-1) On accepting a person's registration under Subsection  
8 (b), the department shall send written confirmation of the  
9 acceptance to:

10 (1) the person;

11 (2) the insurer to be examined; and

12 (3) the state regulatory body that initiated the  
13 examination.

14 SECTION 3. Section 4053.107, Insurance Code, is amended by  
15 amending Subsection (d) and adding Subsection (d-1) to read as  
16 follows:

17 (d) A person with whom another state contracts to perform  
18 any examination initiated by the other state of a managing general  
19 agent licensed under this chapter shall register with and provide  
20 the following information to the department's chief examiner:

21 (1) the person's name;

22 (2) if the person is not an individual, the identity of  
23 each examiner or other person who will perform any part of the  
24 examination;

25 (3) the name of the state that contracted with the  
26 person;

27 (4) the identity of the managing general agent to be

1 examined; ~~and~~

2 (5) a description of each issue that the person has  
3 been contracted to examine;

4 (6) an estimate of the examination costs to be charged  
5 to the managing general agent to be examined;

6 (7) a copy of any contract between the person and the  
7 state regulatory body that initiated the examination and the letter  
8 authorizing the examination; and

9 (8) a list of the previous examinations conducted on  
10 the same managing general agent on behalf of any state within the  
11 last three years.

12 (d-1) On accepting a person's registration under Subsection  
13 (d), the department shall send written confirmation of the  
14 acceptance to:

15 (1) the person;

16 (2) the managing general agent to be examined; and

17 (3) the state regulatory body that initiated the  
18 examination.

19 SECTION 4. The changes in law made by this Act to Sections  
20 401.107, 751.052, and 4053.107, Insurance Code, apply only to an  
21 examination commencing on or after September 1, 2011. An  
22 examination commencing before September 1, 2011, is subject to the  
23 law in effect on the date the examination was commenced, and that  
24 law is continued in effect for that purpose.

25 SECTION 5. This Act takes effect immediately if it receives  
26 a vote of two-thirds of all the members elected to each house, as  
27 provided by Section 39, Article III, Texas Constitution. If this

H.B. No. 3458

- 1 Act does not receive the vote necessary for immediate effect, this
- 2 Act takes effect September 1, 2011.